

8/2/10

AUGUST 10, 2010 COUNCIL

1

TO: TOWN COUNCIL

FROM: TOWN MANAGER



RE: CONSENT ITEM

RESOLUTION SUPPORTING PROPOSITION 22 INITIATIVE

ISSUE

Council Member Ucovich asks that the Council pass a resolution supporting Proposition 22 the “Local Taxpayer, Public safety and Transportation Protection Act of 2010” initiative that will be voted on in the November 2010 election.

RECOMMENDATION

Approve resolution.

CEQA

There are no CEQA issues in supporting or opposing ballot measures.

MONEY

Cost to the Town is unknown whether the ballot measure passes or fails. At this point cost projections seem to depend on which side of the argument a person chooses to stand.

DISCUSSION

The Local Taxpayer, Public Safety and Transportation Protection Act of 2010 is a citizen initiative that seeks to stop the State from taking, diverting or borrowing local government money, transportation and public transit funds dedicated to local services. It has wide support from cities in the State, special agencies, individuals and has been endorsed by the League of California Cities. Council Member Ucovich asks Council to approve a resolution evidencing Loomis support of Proposition 22.

TOWN OF LOOMIS**RESOLUTION 10 – _____****A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS
SUPPORTING PROPOSITION 22 THE LOCAL TAXPAYER, PUBLIC SAFETY AND
TRANSPORTATION PROTECTION ACT OF 2010**

WHEREAS, the State of California has commonly, especially over the last decade, taken or temporarily diverted local money from cities, counties and special districts to balance the State budget; and

WHEREAS, such taking or diverting of funds has negatively affected local budgets causing cutbacks in services in agencies that by law have to balance their budgets without the ability to take or divert money from the State; and

WHEREAS, the people in the State have qualified a measure for the November 2010 ballot to let the people decide if the State should be stopped from taking local revenues that are needed for public safety, transportation, transit and other vital local services;

NOW, THEREFORE, IT IS RESOLVED that the Town Council of the Town of Loomis does hereby support and encourage a yes vote on Proposition 22 “The Local Taxpayers, Public Safety and Transportation Protection Act” on in the November 2010 election.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Loomis on the 10th day of August, 2010, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

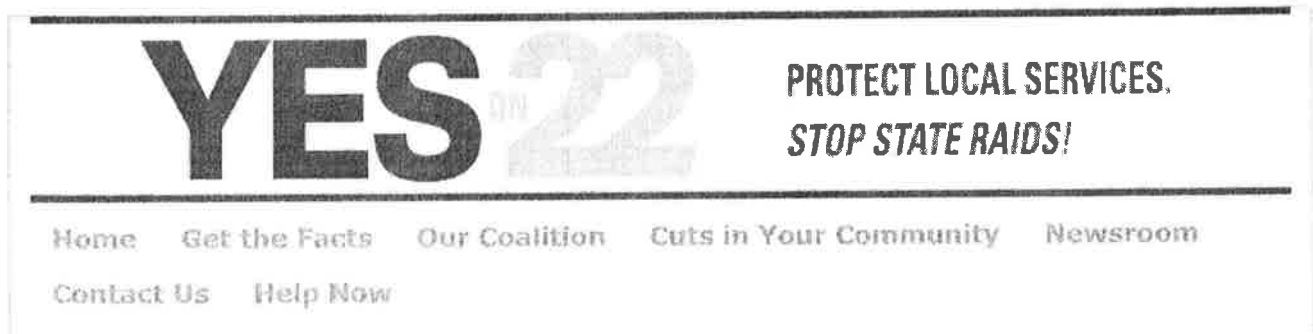
Mayor

ATTEST:

APPROVED AS TO FORM:

Town Clerk

Town Attorney



Protect Local Services Stop State Raids

THE PROBLEM: STATE RAIDS AND BORROWING ARE JEOPARDIZING PUBLIC SAFETY, EMERGENCY RESPONSE, TRANSPORTATION, TRANSIT AND OTHER VITAL LOCAL SERVICES.

California voters have overwhelmingly passed separate ballot measures to dedicate local funding sources to essential local services and to prevent the State from shifting or raiding local government, transit and transportation funds. Despite this, last year the State passed a budget that borrowed and took approximately \$5 billion in city, county, transit, redevelopment and special district funds. The state could take billions more this year. These raids and borrowing are jeopardizing the services Californians need most:

- Police, fire and emergency 911 services have been cut.
- Healthcare services for children, seniors and the disabled are being slashed.
- Road repair and maintenance, congestion relief and safety improvements are constantly at risk.
- Public transit like buses, commuter rail and shuttles are being slashed and fares are being raised.
- Parks and libraries are closing, and other local government services critical to protect our neighborhoods and improve our quality of life are shutting down.
- Vital community economic development and job creation projects are being shut down.

PROP. 22 IS THE SOLUTION: PROHIBIT THE STATE FROM RAIDING LOCAL GOVERNMENT, TRANSIT AND TRANSPORTATION FUNDS.

Prop. 22, the Local Taxpayer, Public Safety and Transportation Protection Act, on the November 2010 statewide ballot, would:

- Prohibit the State from taking, borrowing or redirecting local taxpayer funds dedicated to public safety, emergency response and other vital local government services. Prop. 22 would close loopholes to prevent taking local taxpayer funds currently dedicated to cities, counties, special districts and redevelopment agencies. It would also revoke the State's authority to borrow local government property tax funds.
- Protect vital, dedicated transportation and public transit funds from State raids. Prop. 22 would prohibit the State from redirecting, borrowing or taking the gasoline excise tax (HUTA) allocated to

cities and counties for local street and road maintenance and improvements. Prop. 22 also prohibits the State from taking or redirecting public transportation account revenues dedicated to public transit.

- Protect local taxpayers by keeping more of our local tax dollars local where there's more accountability to voters, and by ensuring once and for all that our gas taxes go to fund road improvements. Prop. 22 also reduces pressure for local tax and fee increases that become necessary when the State redirects local funds.

Paid for by Yes on 22/Californians to Protect Local Taxpayers and Vital Services, a coalition of taxpayers, public safety, local government, transportation, business and labor, with major funding from the League of California Cities (non-public funds and CitiPAC) and the California Alliance for Jobs Rebuild California Committee

1121 L Street, #803 | Sacramento, CA 95814

YES

**PROTECT LOCAL SERVICES.
STOP STATE RAIDS!**

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Our Coalition

Californians to Protect Local Taxpayers and Vital services is a coalition of local governments, transportation advocates, business, labor, public safety and others that is working to place the Local Taxpayers, Public Safety and Transportation Protection Act on the November 2010 ballot.

The Act would stop the State from borrowing or raiding funding that voters have dedicated for local public safety, transportation, transit and essential local government services. To learn more about the Act, [click here](#).

Coalition List (as of 7/16/2010)

PUBLIC SAFETY

California Fire Chiefs Association
California Police Chiefs Association
Fire Districts Association of California
Peace Officers Research Association of California
California Association of Code Enforcement Officers
Central Valley Fire Chiefs Association
Los Angeles Area Fire Chiefs Association
Monterey County Deputy Sheriff's Association
Orange County Fire Chiefs Association
Riverside County Fire Chiefs Association
San Diego County Fire Chiefs' Association
Santa Cruz County Fire Chiefs Association
South Bay Fire Chiefs' Association
Ventura County Fire Chief's Association
Association for Los Angeles Deputy Sheriffs
Los Angeles County Police Chiefs Association
Boulder Creek Fire Protection District
Beverly Hills Fire Department
Chino Valley Independent Fire District
Escondido Firefighters Association, Local 3842

Novato Fire Protection District
Orange County Fire Authority
Police Officers Association of Lodi
Santa Fe Springs Fire Rescue
San Bernardino County Safety Employees' Benefit Association
Santa Cruz Police Management Association
Scotts Valley Fire Protection District

LOCAL GOVERNMENT

League of California Cities
California Redevelopment Association
California Special Districts Association
California Contract Cities Association
California Society of Municipal Finance Officers
California Association of Public Cemeteries
California Association of Recreation and Parks District
California Association of Sanitation Agencies
City Clerks Association of California
Independent Cities Association
Association of Monterey Bay Area Governments
Coachella Valley Association of Governments
Council of Fresno County Governments
Gateway Cities Council of Governments
Merced County Association of Governments
San Benito County Governments
San Luis Obispo Council of Governments
South Bay Cities Council of Governments
Western Riverside Council of Governments
Tehachapi Valley Healthcare District
Monterey Regional Waste Management District
Costa Mesa Sanitary District
Orange County Sanitation District
Redevelopment Agency of the City of Vacaville
Economic Development Committee of the City of Banning
Alameda County Mayors' Conference
Contra Costa County Mayors' Conference
Marin County Council of Mayors and Council Members
Monterey County Mayors Association

Our Coalition | Save Local Services

Marin County Council of Mayors and Council Members

Monterey County Mayors Association

Auburn Public Cemetery District

California Park and Recreation Society

Camp Meeker Recreation and Park District

Conejo Recreation and Park District

Rancho Simi Recreation and Park District

Moss Landing Harbor District

Santa Cruz Public Libraries Joint Powers Board

American Public Works Association;

Monterey Bay Chapter

Planning Director's Association of Orange County

WATER

Association of California Water Agencies

Las Virgenes Municipal Water District

Municipal Water District of Orange County

Tehachapi-Cummings County Water District

Valley Center Water District

Vista Irrigation District

Yuima Municipal Water District

LABOR

California Teamsters Public Affairs Council

California Association of Professional Employees, AFL-CIO

United Public Employees - Political Action Committee

Glendale City Employees Association

San Luis Obispo Employees Association

Santa Rosa City Employees Association

Northern California Carpenters Regional Council

Orange County Employees Association

San Bernardino Public Employees Association

San Joaquin Building Trades Council

Whittier City Employees' Association

American Federation of State County Municipal Employees

MTA/PTSC LOCAL 3634, Los Angeles

Amalgamated Transit Union Local 192, Oakland

Amalgamated Transit Union Local 256, Sacramento

Amalgamated Transit Union Local 276, Stockton

Amalgamated Transit Union Local 1027, Fresno

Amalgamated Transit Union Local 1225,

Monterey-Salinas

Amalgamated Transit Union Local 1555, Oakland

Amalgamated Transit Union Local 1575, San Rafael

Amalgamated Transit Union Local 1704, San Bernardino

Amalgamated Transit Union Local 1756, Arcadia

United Transportation Union

United Transportation Union, Local 23, Santa Cruz

HOUSING

California Housing Consortium

Housing California

California Coalition for Rural Housing

Golden State Manufactured-Home Owners League

CHISPA (Community Housing Improvement Systems and Planning Association, Inc.)

Housing Leadership Council of San Mateo County

Non-Profit Housing Association of Northern California

Opportune Housing

San Diego Housing Federation

COMMUNITY

Alliance for a United Montebello

Chula Vista Civic Association

Hermosa Beach Community Alliance

Human Care Alliance (HCA)

TAXPAYER GROUPS

Alliance of Contra Costa Taxpayers

San Diego County Taxpayers Association

TRANSPORTATION

California Transit Association

California Alliance for Jobs

Capitol Corridor Joint Powers Authority

Southern California Transit Advocates

The Transit Coalition

Anaheim Transportation Network

Eastern Contra Costa Transit Authority

Livermore Amador Valley Transit Authority

Long Beach Transit

Mendocino Transit Authority

Monterey-Salinas Transit

North County Transit District

Omnitrans, San Bernardino Valley

San Benito County Local Transportation Authority

Santa Clara Valley Transportation Authority

Santa Cruz Metropolitan Transit District

Shasta County Regional Transportation Planning Agency

South Tahoe Area Transit Authority

Transit Alliance for a Better North County

Transportation Agency for Monterey County

Transportation California

Transportation Now Committee,

Corona/Norco/District 2 Chapter

Truckee North Tahoe Transportation

Management Association

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Victor Valley Transit Authority
West Contra Costa Transportation Advisory
Committee
Western Contra Costa Transit Authority

BUSINESS

California Chamber of Commerce
California Building Industry Association
California Business Properties Association
California Downtown Association
Arcadia Chamber of Commerce
Azusa Chamber of Commerce
Bell Gardens Chamber of Commerce
Brea Chamber of Commerce
Building Industry Association of Central California
Business Council of San Joaquin County
Cathedral City Chamber of Commerce
Chino Valley Chamber of Commerce
Corona Chamber of Commerce
Costa Mesa Chamber of Commerce
Culver City Chamber of Commerce
Desert Hot Springs Chamber of Commerce
Downtown Stockton Alliance
Fairfield Suisun Chamber of Commerce
Fillmore Realty and Financial Services
Fontana Chamber of Commerce
Foster City Chamber of Commerce
Fullerton Chamber of Commerce
Garden Grove Chamber of Commerce
Greater Bakersfield Chamber of Commerce
Greater Lakewood Chamber of Commerce
Greater Merced Chamber of Commerce
Greater Riverside Chambers of Commerce
Greater Riverside Hispanic Chamber of Commerce
Greater Tehachapi Economic Development Council
Indio Chamber of Commerce
Inland Empire African American Chamber of Commerce
Inland Empire Chamber Legislative Alliance
Inland Valley Business Alliance
Irvine Chamber of Commerce
Kern County Hispanic Chamber of Commerce
La Quinta Chamber of Commerce
La Verne Chamber of Commerce
Lake Elsinore Valley Chamber of Commerce
Lodi Chamber of Commerce
Milpitas Chamber of Commerce
Montclair Chamber of Commerce
Montebello Mid-Management Association
Monterey County Hospitality Association
Monterey Peninsula Chamber of Commerce
Moreno Valley Chamber of Commerce

Morgan Hill Chamber of Commerce and Visitors Center
Mountain View Chamber of Commerce
Murrieta Chamber of Commerce
Nationwide Realty Management LLC
North Orange County Legislative Alliance
Ontario Chamber of Commerce

Orange County Hispanic Chamber of Commerce
Palo Alto Chamber of Commerce
Palos Verdes Peninsula Chamber of Commerce
Rancho Cucamonga Chamber of Commerce
Rancho Mirage Chamber of Commerce
Red Bluff/Tehama County Chamber of Commerce
Redlands Chamber of Commerce
Redwood City – San Mateo County Chamber of
Commerce
Regional Chamber Alliance, Serving cities of Santa Fe
Springs, Whittier, Norwalk, Pico Rivera, and La Mirada
Salinas Valley Builders Exchange
Salinas Valley Chamber of Commerce
San Benito County Chamber of Commerce
San Bernardino Area Chamber of Commerce
San Carlos Chamber of Commerce
San Diego South County Chamber of Commerce
San Gabriel Valley Economic Partnership
San Gabriel Valley Legislative Coalition of Chambers
San Joaquin Partnership, Inc.
San Mateo Area Chamber of Commerce
Santa Clara Chamber of Commerce
Santa Maria Valley Chamber of Commerce
Silicon Valley Leadership Group
Santa Rosa Chamber of Commerce
South Bay Association of Chambers of Commerce
South Gate Chamber of Commerce
South Orange County Regional Chambers of Commerce
South San Francisco Chamber of Commerce
Southwest California Legislative Council
Sunnyvale Chamber of Commerce
Temecula Valley Chamber of Commerce
Thomas and Associates
Tuolumne County Chamber of Commerce
Valley Industry & Commerce Association
Victorville Chamber of Commerce
Wildomar Chamber of Commerce
Yorba Linda Chamber of Commerce
Yucca Valley Chamber of Commerce
Southern Sierras Chapter, National Electrical
Contractors Association

Our Coalition | Save Local Services

CITIES

City of Albany
City of Adelanto
City of American Canyon
City of Angels
City of Antioch
City of Arcadia
City of Arcata
City of Arroyo Grande
City of Artesia
City of Arvin
City of Atascadero
City of Atwater
City of Auburn
City of Avalon
City of Avenal
City of Azusa
City of Bakersfield
City of Baldwin Park
City of Banning
City of Beaumont
City of Benicia
City of Beverly Hills
City of Big Bear Lake
City of Bishop
City of Blue Lake
City of Blythe
City of Bradbury
City of Brawley
City of Brea
City of Buena Park
City of Burlingame
City of Calabasas
City of California City
City of Calimesa
City of Campbell
City of Canyon Lake
City of Capitola
City of Carmel-by-the-Sea
City of Carson
City of Cathedral City
City of Ceres
City of Cerritos
City of Chino
City of Chino Hills
City of Chowchilla
City of Chula Vista
City of Claremont
City of Clayton

City of Cloverdale
City of Clovis
City of Coachella
City of Coalinga
City of Commerce
City of Concord
City of Corona
City of Coronado
City of Cotati
City of Culver City
City of Cupertino
City of Cypress
City of Daly City
City of Delano
City of Del Rey Oaks
City of Desert Hot Springs
City of Diamond Bar
City of Dinuba
City of Dixon
City of Dorris
City of Dublin
City of Elk Grove
City of Emeryville
City of Encinitas
City of Escondido
City of Exeter
City of Ferndale
City of Fontana
City of Fortuna
City of Foster City
City of Fountain Valley
City of Fowler
City of Fresno
City of Gardena
City of Garden Grove
City of Gilroy
City of Glendale
City of Goleta
City of Gonzales
City of Grass Valley
City of Greenfield
City of Gridley
City of Grover Beach
City of Half Moon Bay
City of Hayward
City of Hanford
City of Hemet
City of Hercules

City of Hermosa Beach
City of Hesperia
City of Hidden Hills
City of Highland
City of Huntington Beach
City of Huntington Park
City of Huron
City of Imperial
City of Imperial Beach
City of Indian Wells
City of Inglewood
City of Irvine
City of Kerman
City of King
City of Kingsburg
City of Lafayette
City of Laguna Hills
City of Lake Forest
City of Lakewood
City of La Cañada Flintridge
City of La Habra
City of La Mesa
City of La Mirada
City of La Palma
City of La Puente
City of La Quinta
City of La Verne
City of Lake Forest
City of Lancaster
City of Larkspur
City of Lawndale
City of Lemoore
City of Lindsay
City of Lodi
City of Lomita
City of Lompoc
City of Los Banos
City of Lynwood
City of Madera
City of Malibu
City of Marina
City of Martinez
City of Manhattan Beach
City of Maywood
City of McFarland
City of Menifee

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City of Merced
City of Millbrae
City of Milpitas
City of Mission Viejo
City of Modesto
City of Monrovia
City of Montclair
City of Monte Sereno
City of Moorpark

City of Moreno Valley
City of Morgan Hill
City of Mountain View
City of Murrieta
City of Napa
City of Newark
City of Newport Beach
City of Norco
City of Novato
City of Oakdale
City of Ojai
City of Ontario
City of Orange Cove
City of Orinda
City of Orland
City of Pacific Grove
City of Pacifica
City of Palmdale
City of Palm Springs
City of Paramount
City of Parlier
City of Pasadena
City of Perris
City of Petaluma
City of Pinole
City of Placentia
City of Poway
City of Rancho Cucamonga
City of Rancho Mirage
City of Red Bluff
City of Redding
City of Redwood City
City of Reedley
City of Ridgecrest
City of Rio Vista
City of Ripon
City of Riverside
City of Rolling Hills
City of Rosemead
City of Sacramento
City of Salinas
City of Sanger

City of San Buenaventura
City of San Bruno
City of San Carlos
City of San Clemente
City of San Diego
City of San Dimas

City of San Gabriel
City of San Jacinto
City of San Jose
City of San Luis Obispo
City of San Mateo
City of San Pablo
City of San Rafael
City of Sand City
City of Santa Ana
City of Santa Clarita
City of Santa Cruz
City of Santa Maria
City of Santa Monica
City of Santa Rosa
City of Santa Fe Springs
City of Saratoga
City of Scotts Valley
City of Seal Beach
City of Sebastopol
City of Selma
City of Shafter
City of Signal Hill
City of Solana Beach
City of Soledad
City of Sonoma
City of Sonora
City of South El Monte
City of South Lake Tahoe
City of South San Francisco
City of Stanton
City of Stockton
City of Sunnyvale
City of Taft
City of Temecula
City of Torrance
City of Tracy
City of Tulare
City of Turlock
City of Twentynine Palms
City of Ukiah
City of Upland
City of Vacaville
City of Vallejo

City of Visalia
City of Vista
City of Walnut
City of Walnut Creek
City of Wasco

City of Waterford
City of West Hollywood
City of Wheatland
City of Whittier
City of Winters
City of Woodlake
City of Yuba City
City of Yucaipa
Town of Apple Valley
Town of Hillsborough
Town of Los Gatos
Town of San Anselmo
Town of Windsor
Town of Yountville

COUNTIES

County of Kern
County of Riverside
County of San Bernardino
County of Stanislaus

Our Coalition | Save Local Services

LOCAL ELECTED OFFICIALS

Supervisor Mike Kerns, Sonoma County
Mayor Pro Tem Steve Adams, City of Riverside
Mayor John Addleman, City of Rolling Hills Estates
Mayor Don Adolph, City of La Quinta
Mayor Luis Alejo, City of Watsonville, Central Coast
Vice-Chair of the Chicano Latino Caucus of the CA Democratic Party
Mayor Walt Allen, City of Covina
Mayor Bruce Barrows, City of Cerritos
Mayor Bob Botts, City of Banning
Mayor Daryl Busch, City of Perris
Mayor Corey Calaycay, City of Claremont
Mayor Kelly Chastain, City of Colton
Mayor Larry Crandall, City of Fountain Valley
Mayor Keith Curry, City of Newport Beach
Mayor Marlin "Skip" Davies, City of Woodland
Mayor Brian DeForge, City of Beaumont
Mayor Chuck Della Sala, City of Monterey
Mayor Ron Dellums, City of Oakland
Mayor Pro Tem Bud England, Cathedral City
Mayor Maryetta Ferre, City of Grand Terrace
Mayor Bob Foster, City of Long Beach
Mayor Pro Tem Kristy Franklin, City of La Quinta
Mayor Carmelita Garcia, City of Pacific Grove
Mayor Ron Garcia, City of Brea
Mayor Pat Gilbreath, City of Redlands

Mayor Charlie Goeken, City of Waterford
Mayor Victor Gomez, City of Hollister
Mayor Pro Tem Robin Hastings, City of Moreno Valley
Mayor Carol Herrera, City of Diamond Bar
Mayor Rick Herrick, City of Big Bear Lake
Mayor Nancy Horton, City of Canyon Lake
Mayor Jim Hyatt, City of Calimesa
Mayor Farrell Jackson, City of Oakdale
Mayor Pro Tem Bill Jahn, City of Big Bear Lake
Mayor Kevin Johnson, City of Sacramento
Mayor Pro Tem Steve Jones, City of Garden Grove
Mayor Pro Tem Tom Lackey, City of Palmdale
Mayor Pro Tem Randon Lane, City of Murrieta
Mayor James C. Ledford Jr., City of Palmdale
Mayor Paul Leon, City of Ontario
Mayor Penny Lilburn, City of Highland
Mayor Pro Tem Scott Matas, City of Desert Hot Springs
Mayor Chad Mayes, Town of Yucca Valley
Mayor Eric McBride, City of Hemet
Mayor Sue McCloud, City of Carmel-by-the-Sea
Mayor Pro Tem Marsha McLean, City of Santa Clarita
Mayor Melissa Melendez, City of Lake Elsinore

Mayor Pro Tem Dennis Michael, City of Rancho Cucamonga
Mayor Pro Tem Richard P. Montgomery, City of Manhattan Beach
Mayor Walt Murken, City of Escalon
Mayor John Murray, City of Lemoore
Mayor Pro Tem Mary Ann Nihart, City of Pacifica
Mayor Mark Nuaimi, City of Fontana
Mayor Yvonne Parks, City of Desert Hot Springs
Mayor David Pendergrass, Sand City
Mayor Curt Pringle, City of Anaheim
Mayor Miguel Pulido, City of Santa Ana
Mayor Chuck Reed, City of San Jose
Mayor Margie Rice, City of Westminster
Mayor Pro Tem Ron Roberts, City of Temecula
Mayor Todd Rogers, City of Lakewood
Mayor Mike Rotkin, City of Santa Cruz
Mayor Jerry Sanders, City of San Diego
Mayor Kristy Sayles, City of Lathrop
Mayor Chester "Skip" Schaufel, City of Ione
Mayor Ann Schwab, City of Chico
Mayor Pro Tem Stan Skipworth, City of Corona
Mayor Pro Tem Annette Smith, City of Patterson
Mayor David W. Smith, City of Newark
Mayor Thurston "Smitty" Smith, City of Hesperia
Mayor Karen Spiegel, City of Corona
Mayor Bill Spriggs, City of Merced
Mayor Pro Tem Marsha Swanson, City of Wildomar
Mayor Ashley Swearengin, City of Fresno
Mayor Pro Tem Barry Gene Talbot, City of Canyon Lake
Mayor Bob Taylor, City of Brentwood
Mayor Craig Vejvoda, City of Tulare
Mayor Antonio R. Villaraigosa, City of Los Angeles
Mayor Pro Tem Alan Wapner, City of Ontario
Mayor Laurene Weste, City of Santa Clarita
Mayor H. Abram Wilson, City of San Ramon
Mayor Stefan Wolowicz, City of Rancho Palos Verdes
Mayor Pro Tem Ella Zanowic, City of Calimesa
Vice Mayor Jan Arbuckle, City of Grass Valley
Vice Mayor Ryan Coonerty, City of Santa Cruz
Vice Mayor Steven M. Detrick, City of Elk Grove
Vice Mayor Steve Di Memmo, City of San Jacinto
Vice Mayor Joe DiDuca, Town of Paradise
Vice Mayor John Dunbar, Town of Yountville
Vice Mayor Curtis Hunt, City of Vacaville
Vice Mayor Linda Koelling, Foster City
Vice Mayor Zack Scrivner, City of Bakersfield
Vice Mayor Karen Stepper, Town of Danville

Our Coalition | Save Local Services

Vice Mayor Jerry Thorne, City of Pleasanton
Council Member Candace Andersen, Town of Danville
Council Member David Ayers, City of Hanford
Council Member Kathy Azevedo, City of Norco
Council Member Kevin Bash, City of Norco
Council Member Stan Beckham, City of Tehachapi
Council Member Laura Bettencourt, City of Palmdale
Council Member Neil Blais, City of Rancho Santa Margarita
Council Member Randy Bomgaars, City of Bellflower
Council Member Jim Bowman, City of Ontario
Council Member Cheryl Brothers, City of Fountain Valley
Council Member Thomas Buckley, City of Lake Elsinore
Council Member Brian Campbell, City of Rancho Palos Verdes
Council Member William Canning, City of Sonora
Council Member Joe Carchio, City of Huntington Beach
Council Member Ling-Ling Chang, City of Diamond Bar
Council Member Gil Coerper, City of Huntington Beach
Council Member Pete Constant, City of San Jose
Council Member Mary Craton, City of Canyon Lake
Council Member Doug Davert, City of Tustin
Council Member Steve DeBrum, City of Manteca
Council Member John Denver, City of Menifee
Council Member Steve Diels, City of Redondo Beach
Council Member Mike Dispenza, City of Palmdale
Council Member Debra Dorst-Porada, City of Ontario
Council Member Diane DuBois, City of Lakewood
Council Member Maryann Edwards, City of Temecula
Council Member Jordan Ehrenkranz, City of Canyon Lake
Council Member Laurie Ender, City of Santa Clarita
Council Member Linda Evans, City of La Quinta
Council Member Scott Farnam, City of Wildomar
Council Member Frank Ferry, City of Santa Clarita
Council Member Larry Forester, City of Signal Hill
Council Member Jeff Fox, City of Beaumont
Council Member Raymond Friend, City of Hollister
Council Member Laurie Gallian, City of Sonoma
Council Member Mike Gardner, City of Riverside
Council Member Charlie Gay, City of Ripon
Council Member Rick Gibbs, City of Murrieta
Council Member Paul Glaab, City of Laguna Niguel
Council Member Dean Glaser, City of Fortuna

Council Member James Goodhart, City of Palos Verdes

Estates

Council Member Erin Hannigan, City of Vallejo
Council Member Brad Hawn, City of Modesto
Council Member Terry Henderson, City of La Quinta
Council Member Vince Hernandez, City of Manteca
Council Member Mike Holmes, City of Auburn
Council Member Peter Herzog, City of Lake Forest
Council Member Steven D. Hofbauer, City of Palmdale
Council Member Mike Hudson, Suisun City
Council Member Ben Johnson, City of Pittsburg
Council Member Bob Johnson, City of Lodi
Council Member Bob Kellar, City of Santa Clarita
Council Member Chas Kelley, City of San Bernardino
Council Member Richard Kite, City of Rancho Mirage
Council Member Ken Krause, City of Waterford
Council Member Garry Krebs, City of Ripon
Council Member Darcy Kuenzi, City of Menifee
Council Member Don Lane, City of Santa Cruz
Council Member Robin Lowe, City of Hemet

Council Member Frank Luckino, Town of Yucca Valley

Council Member Chris Mac Arthur, City of Riverside
Council Member John Machisic, City of Banning
Council Member Mike Maciel, City of Tracy
Council Member Robert "Bob" Magee, City of Lake Elsinore

Council Member Scott Mann, City of Menifee
Council Member Dr. Bill Marble, City of Woodland
Council Member Charles Marsala, Town of Atherton
Council Member Thomas Martin, City of Maywood
Council Member Cynthia Mathews, City of Santa Cruz
Council Member Doug McAllister, City of Murrieta
Council Member Larry McCallon, City of Highland
Council Member Ryan McEachron, City of Victorville
Council Member Robert Ming, City of Laguna Niguel
Council Member Eugene Montanez, City of Corona
Council Member Debby Moorhead, City of Manteca
Council Member JoAnne Mounce, City of Lodi
Council Member Scott Nassif, Town of Apple Valley
Council Member Scott Nelson, City of Placentia
Council Member Steve Nolan, City of Corona
Council Member Greg Nordbak, City of Whittier
Council Member Michael O'Leary, City of Culver City
Council Member Kristin Olsen, City of Modesto
Council Member Chuck Page, City of Saratoga
Council Member Joshua Pedrozo, City of Merced
Council Member Scott Perkins, City of San Ramon

Our Coalition | Save Local Services

Council Member Julie Pierce, City of Clayton
Council Member Robert Poythress, City of Madera
Council Member Jan Pye, City of Desert Hot Springs
Council Member William Quirk, City of Hayward
Council Member Susan Rhilinger, City of Torrance
Council Member Steve Rice, City of Los Gatos
Council Member John Roberts, City of Fontana
Council Member Don Robinson, City of Banning
Council Member Janice Rutherford, City of Fontana
Council Member Jason Scott, City of Corona
Council Member David Shawver, City of Stanton
Council Member Dejeune Shelton, City of Patterson
Council Member Marty Simonoff, City of Brea
Council Member Greig Smith, City of Los Angeles
Council Member Frank Sollecito, City of Monterey
Council Member L. Allan Songstad Jr., City of
Laguna Hills
Council Member Richard A. Stewart, City of Moreno
Valley
Council Member Gary Thomasian, City of Murrieta

Council Member Miguel Ucovich, Town of Loomis
Council Member Jesse Villarreal, City of Coachella
Council Member Steve Villegas, City of Salinas
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Submitted July 15, 2010

Proposition 22

Prohibits the State from Taking Funds Used for Transportation or Local Government Projects and Services. Initiative Constitutional Amendment.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact

- **Fiscal Impact:** Decreased state General Fund spending and/or increased state revenues, probably in the range of \$1 billion to several billions of dollars annually. Comparable amounts of increased funding for transportation and redevelopment.

Yes/No Statement

A **YES** vote on this measure means: The state's authority to use or redirect state fuel tax and local property tax revenues would be significantly restricted.

A **NO** vote on this measure means: The state's current authority over state fuel tax and local property tax revenues would not be affected.

Background

Under the State Constitution, state and local government funding and responsibilities are interrelated. Both levels of government share revenues raised by some taxes—such as sales taxes and fuel taxes. Both levels also share the costs for some programs—such as many health and social services programs. While the state does not receive any property tax revenues, it has authority over the distribution of these revenues among local agencies and schools.

Over the years, the state has made decisions that have affected local government revenues and costs in various ways. Some of these decisions have benefited the state fiscally, and others have benefited local governments. For example, in the early 1990s, the state permanently shifted a share of city, county, and special district property tax revenues to schools. These shifts had the effect of reducing local agency resources and reducing state costs for education. Conversely, in the late 1990s, the state changed laws regarding trial court program funding. This change had the effect of shifting local agency costs to the state.

In recent years, the state's voters have amended the Constitution to limit the state's authority over local finances. Under Proposition 1A of 2004, the state no longer has the authority to permanently shift city, county, and special district property tax revenues to schools, or take certain other actions that affect local governments. In addition, Proposition 1A of 2006 restricts the state's ability to borrow state gasoline sales tax revenues. These provisions in the Constitution, however, do not eliminate state authority to temporarily borrow or redirect some city, county, and special district funds. In addition, these propositions do not eliminate the state's authority to redirect local redevelopment agency revenues. (Redevelopment agencies work on projects to improve blighted urban areas.)

Proposal

As Figure 1 summarizes, this measure reduces or eliminates the state's authority to:

- Use state fuel tax revenues to pay debt service on state transportation bonds.
- Borrow or change the distribution of state fuel tax revenues.
- Redirect redevelopment agency property taxes to any other local government.
- Temporarily shift property taxes from cities, counties, and special districts to schools.
- Use vehicle license fee (VLF) revenues to reimburse local governments for state mandated costs.

As a result, this measure affects resources in the state's General Fund and transportation funds. The General Fund is the state's main funding source for schools, universities, prisons, health, and social services programs. Transportation funds are placed in separate accounts and used to pay for state and local transportation programs.

Figure 1

Major Provisions of Proposition 22

- Restrictions Regarding State Fuel Taxes
 - Reduces state's authority to use funds to pay debt service on transportation bonds.
 - Prohibits borrowing of funds by the state.

- Limits state authority to change distribution of funds.
- Other Restrictions on the State
 - Prohibits redirection of redevelopment property tax revenues.
 - Eliminates state authority to temporarily shift property tax revenues from cities, counties, and special districts.
 - Prohibits state from using vehicle license fee revenues to pay for state-imposed mandates.
- Enforcement
 - Repeals state laws enacted after October 20, 2009 if they conflict with the measure.
 - Provides reimbursement if the state violates any term of the measure.

Use of Funds to Pay for Transportation Bonds

State Fuel Taxes. As Figure 2 shows, the state annually collects about \$5.9 billion in fuel tax revenues for transportation purposes—with most of this amount coming from a 35.3 cents per gallon excise tax on gasoline. The amounts shown in Figure 2 reflect changes adopted in early 2010. Prior to these changes, the state charged two taxes on gasoline: an 18 cents per gallon excise tax and a sales tax based on the cost of the purchase. Under the changes, the state collects the same amount of total revenues but does not charge a state sales tax on gasoline. (These state fuel tax changes did not affect the local sales tax on gasoline.) Part of the reason the state made these changes is because revenues from the gasoline excise tax can be used more flexibly than sales tax revenues to pay debt service on transportation bonds.

Figure 2

Current State Fuel Tax Revenues for Transportation Purposes^a

2010-11
(In Millions)

Fuel	Excise Tax	Sales Tax
Gasoline	\$5,100	—
Diesel	470	\$300
Totals	\$5,570	\$300

^a Local governments also charge taxes on fuels. The figure does not show these local revenues.

Current Use of Fuel Tax Revenues. The main uses of state fuel tax revenues are (1) constructing and maintaining highways, streets, and roads and (2) funding transit and intercity rail services. In addition, the state uses some of its fuel tax revenues to pay debt-service costs on voter-approved transportation bonds. In the current year, for example, the state will use about \$850 million of fuel tax revenues to pay debt-service costs on bonds issued to fund highway, road, and transit

projects. In future years, this amount is expected to increase to about \$1 billion annually.

Reduces State Authority. The measure reduces state authority to use fuel tax revenues to pay for bonds. Under the measure, the state could not use fuel tax revenues to pay for any bonds that have already been issued. In addition, the state's authority to use fuel tax revenues to pay for bonds that have not yet been issued would be significantly restricted.

Because of these restrictions, the state would need to pay about \$1 billion of annual bond costs from its General Fund rather than from transportation accounts. (In the current year, the amount would be somewhat less because the state would have paid some of its bond costs using fuel tax revenues by the time of the election.) This, in turn, would (1) increase the amount of funds the state would have available to spend for transportation programs and (2) reduce the amount of General Fund resources the state would have available to spend on non-transportation programs.

Borrowing of Fuel Tax Revenues

Current Authority to Borrow. While state fuel tax revenues generally must be used for transportation purposes, the state may use these funds for other purposes under certain circumstances. Specifically:

- ***Borrowing for Cash Flow Purposes.*** The state historically has paid out most of its General Fund expenses between July and December of each year, but received most of its revenues between January and June. To help manage this uneven cash flow, the state often borrows funds from various state accounts, including fuel tax funds, on a temporary basis. The cash flow loans of fuel tax funds often total \$1 billion or more.
- ***Borrowing for Budget-Balancing Purposes.*** In cases of severe state fiscal hardship, the state may use fuel tax revenues to help address a budgetary problem. The state must pay these funds back within three years. For example, at the time this analysis was prepared, the proposed 2010–11 state budget included a \$650 million loan of state fuel tax revenues to the state General Fund.

Prohibits Borrowing. This measure generally prohibits fuel tax revenues from being loaned—either for cash flow or budget-balancing purposes—to the General Fund or to any other state fund. The state, therefore, would have to take alternative actions to address its short-term borrowing needs. These actions could include borrowing more from private markets, slowing state expenditures to accumulate larger reserves in its accounts, or speeding up the collection of tax revenues. In place of budgetary borrowing, the state would have to take alternative actions to balance future General Fund budgets—such as reducing state spending or increasing state taxes.

Distribution of Fuel Tax Revenues

Current Distribution. Roughly two-thirds of the state's fuel tax revenues are spent by the state, and the rest is given to cities, counties, and transit districts. Although state law specifies how much money local agencies shall receive, the Legislature may pass a law with a majority vote of each house to change these funding distributions. For example, the state has made various changes to the allocation of transit funding over recent years.

Limits Changes to Distribution. This measure constrains the state's authority to change the distribution of state fuel tax revenues to local agencies. In the case of fuel excise taxes, the measure requires that the formula to distribute these tax revenues to local governments for the construction or maintenance of local streets and roads be the one that was in effect on June 30, 2009. (At that time, local governments received the revenues generated from 6 cents of the 18 cents being collected from the fuel excise tax.) Under this measure, the state could enact a law to change this allocation, but only by a two-thirds vote of each house of the Legislature and after the California Transportation Commission conducted a series of public hearings.

In the case of diesel sales tax revenues (used primarily for transit and transportation planning), current law requires that the funds be distributed 25 percent to the state and 75 percent to local governments, beginning in 2011–12. The measure specifies that the funds instead be split equally between local and state programs. This change in diesel sales tax revenue distribution, therefore, would provide somewhat lower ongoing funding for local transit purposes and more funding for state transit purposes than otherwise would be the case. Under the measure, the state could not change this distribution of funds.

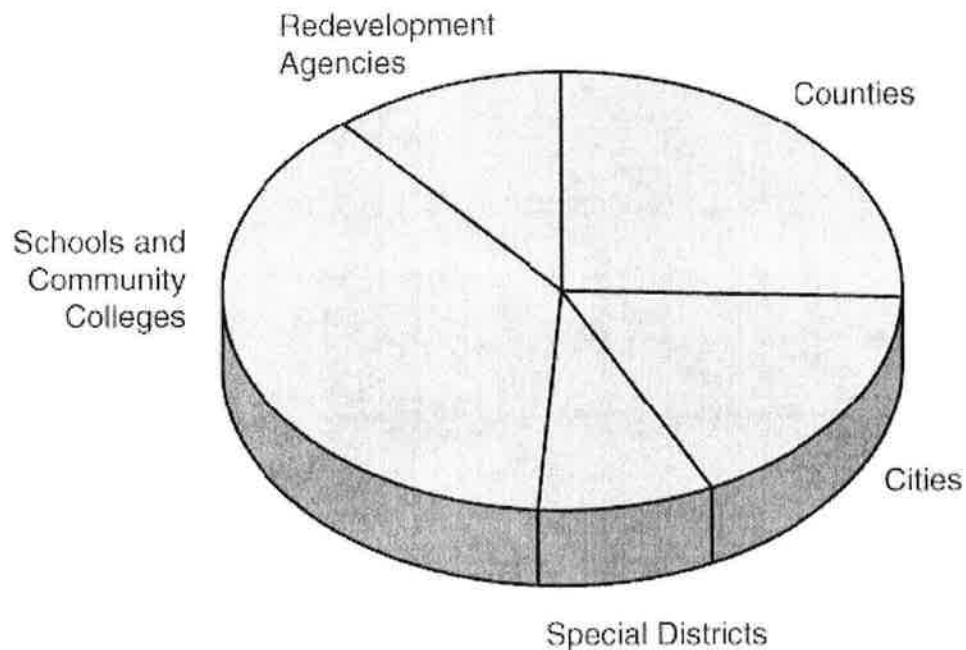
Allocation of Property Tax Revenues

Current Property Tax Distribution. California property owners pay a 1 percent tax on the value of their homes and other properties, plus any additional property tax rates for voter-approved debt. State law specifies how county auditors are to distribute these revenues among local governments. Figure 3 shows the average share of property tax revenues local governments receive.

Figure 3

Estimated Local Government Shares of the 1 Percent Property Tax

Statewide Average



Excludes effect of any temporary property tax shifts.

State law allows the state to make some changes to the distribution of property tax revenues. For example, the state may require redevelopment agencies to shift revenues to nearby schools. Recently, the state required redevelopment agencies to shift \$2 billion of revenues to schools over two years. (This amount is roughly 15 percent of total redevelopment revenues.) In addition, during times of severe state fiscal hardship, the state may require that a portion of property tax revenues be temporarily shifted away from cities, counties, and special districts. In this case, however, the state must repay the local agencies for their losses within three years, including interest. Recently, the state required these agencies to shift \$1.9 billion of funds to schools. The major reason the state made these revenue shifts was to reduce state General Fund costs for education and other programs.

Reduces State Authority. This measure prohibits the state from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies. The measure also eliminates the state's authority to shift property taxes temporarily during a severe state fiscal hardship. Under the measure, therefore, the state would

have to take other actions to balance its budget in some years—such as reducing state spending or increasing state taxes.

Use of VLF Revenues

Current VLF. California vehicle owners pay a VLF based on their vehicle's value at a rate of 1.15 percent, including a 0.65 percent ongoing rate and a 0.50 percent temporary rate. Most VLF revenues are distributed to local governments.

Current Mandate Payments. The state generally must reimburse local governments when it "mandates" that they provide a new program or higher level of service. The state usually provides reimbursements through appropriations in the annual budget act or by providing other offsetting funds.

Restricts Use of VLF Funds. This measure specifies that the state may not reimburse local governments for a mandate by giving them an increased share of VLF revenues collected under the ongoing rate. Under the measure, therefore, the state would have to reimburse local governments using other resources.

State Laws That Are in Conflict With This Proposition

voids Recent Laws. Any law enacted between October 20, 2009 and November 2, 2010 that is in conflict with this proposition would be repealed. Several factors make it difficult to determine the practical effect of this provision. First, parts of this measure would be subject to future interpretation by the courts. Second, in the spring of 2010, the state made significant changes to its fuel tax laws, and the full effect of this measure on these changes is not certain. Finally, at the time this analysis was prepared (early in the summer of 2010), the state was considering many new laws and funding changes to address its major budget difficulties. As a result, it is not possible to determine the full range of state laws that could be affected or repealed by this measure.

Requires Reimbursement for Future Laws. Under this measure, if a court ruled that the state violated a provision of Proposition 22, the State Controller would reimburse the affected local governments or accounts within 30 days. Funds for these reimbursements, including interest, would be taken from the state General Fund and would not require legislative approval.

Fiscal Effects

State General Fund

Effect in 2010–11. This measure would (1) shift some debt-service costs to the state General Fund and (2) prohibit the General Fund from borrowing fuel tax

revenues. As a result, the measure would reduce resources available for the state to spend on other programs, probably by about \$1 billion in 2010–11. To balance the budget, the state would have to take other actions to raise revenues and/or decrease spending. Overall, the measure's immediate fiscal effect would equal about 1 percent of total General Fund spending. As noted above, the measure also would repeal laws passed after this analysis was prepared that conflicted with its provisions.

Longer-Term Effect. Limiting the state's authority to use fuel tax revenues to pay transportation bond costs would increase General Fund costs by about \$1 billion annually for the next couple of decades. In addition, the measure's constraints on state authority to borrow or redirect property tax and redevelopment revenues could result in increased costs or decreased resources available to the General Fund in some years. The total annual fiscal effect from these changes is not possible to determine, but could range from about \$1 billion (in most years) to several billion dollars (in some years).

State and Local Transportation Programs and Local Government

The fiscal effect of the measure on transportation programs and local governments largely would be the *opposite* of its effect on the state's General Fund. Under the measure, the state would use General Fund revenues—instead of fuel tax revenues—to pay for transportation bonds. This would leave more fuel tax revenues available for state and local transportation programs.

In addition, limiting the state's authority to redirect revenues likely would result in increased resources being available for redevelopment and state and local transportation programs. Limiting the state's authority to borrow these revenues likely would also result in more stable revenues being available for local governments and transportation. The magnitude of this fiscal effect is not possible to determine, but could be in the range from about \$1 billion (in most years) to several billions of dollars (in some years).

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